

### Subpart 245.5—Management of Government Property in the Possession of Contractors

#### 245.505 Records and reports of Government property.

##### 245.505-3 Records of material.

If adequate controls are in place to meet the requirements of the clause at 252.242-7004, Material Management and Accounting System, the contractor's material control system may physically commingle inventories that may include materials for which costs are charged or allocated to fixed-price, cost-reimbursement, and commercial contracts. Government-furnished material (GFM) may not be physically commingled with other material, nor may GFM be used on contractor's commercial work.

##### 245.505-5 Records of plant equipment.

(a) The contractor may use DD Form 1342, DoD Property Record, as a source document for setting up prescribed records.

##### 245.505-6 Special reports of plant equipment.

The contractor shall prepare a DD Form 1342 in accordance with instructions contained in AR 700-43/NAVSUP PUB 5009/AFM 78-9/DLAM 4215.1, Management of Defense-Owned Industrial Plant Equipment (IPE)—

(1) Upon receipt and acceptance of each item of IPE including items which, though part of a manufacturing system, would otherwise qualify as IPE;

(2) Whenever major changes occur in the data initially submitted to Defense Supply Center Richmond (DSCR) (as specified by DLAM 4215.1);

(3) When IPE, including general purpose components of special test equipment which otherwise qualify as IPE, is no longer required for the purpose authorized or provided; or

(4) When disposal is completed.

[56 FR 36448, July 31, 1991, as amended at 62 FR 34127, June 24, 1997]

##### 245.505-14 Reports of Government property.

(a) Use the clause at 252.245-7001, Reports of Government Property, in all

solicitations and contracts containing one of the following clauses—

(1) FAR Section 52.245-2, Government Property (Fixed-Price Contracts);

(2) FAR Section 52.245-5, Government Property (Cost Reimbursement, Time-and-Material, or Labor-Hour Contracts);

(3) FAR Section 52.245-7, Government Property (Consolidated Facilities);

(4) FAR Section 52.245-10, Government Property (Facilities Acquisition); or

(5) FAR Section 52.245-11, Government Property (Facilities Use).

[59 FR 27674, May 27, 1994]

### Subpart 245.6—Reporting, Redistribution, and Disposal of Contractor Inventory

#### 245.601 Definitions.

(1) *Controlled substances* means—

(i) Narcotic, depressant, stimulant, or hallucinogenic drug or substance;

(ii) Any other drug or substance controlled under Title II of the Comprehensive Drug Abuse Prevention and Control Act of 1970; or

(iii) A drug or substance required to be controlled by international treaty, convention or protocol.

(2) *Demilitarization* means the act of destroying the offensive or defensive characteristics of equipment or material to prevent its further military or lethal use.

(3) *Production scrap* means material left over from the normal production process that has only remelting or reprocessing value, e.g., textile and metal clippings, borings, and faulty castings and forgings.

(4) *Serviceable or usable property* means property that has a potential for use or sale value "as is" or with minor repairs or alterations; only property in Federal Condition Codes A1, A2, A4, A5, B1, B2, B4, B5, F7, or F8.

#### 245.603 Disposal methods.

##### 245.603-70 Contractor performance of plant clearance duties.

(a) *Authorization.* (1) Contract administration offices (CAOs) may, with head of the contracting activity approval and contractor concurrence, authorize selected contractors to perform certain plant clearance functions if the volume